

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: COMMUNITY COLLEGE

DATE: AUGUST 9, 2010

COMMITTEE MEMBERS PRESENT:

SUPERVISORS CHAMPAGNE
STEC
TAYLOR
CONOVER

COMMITTEE MEMBER ABSENT:

TOWN OF THURMAN - VACANT

OTHERS PRESENT:

REPRESENTING ADIRONDACK COMMUNITY COLLEGE:

DR. RONALD HEACOCK, PRESIDENT

DR. PAUL MAZUR, VICE PRESIDENT

WILLIAM LONG, VICE PRESIDENT OF ADMINISTRATIVE SERVICES

JOSEPH CUTSHALL-KING, VICE PRESIDENT, ACC FOUNDATION

KEVIN RIELLY, CHIEF FINANCIAL OFFICER

MARK BULMER, ACC BOARD OF TRUSTEES

KAREN MOSHER, ADMINISTRATIVE ASSISTANT

PAUL DUSEK, COUNTY ATTORNEY/ADMINISTRATOR

FREDERICK MONROE, CHAIRMAN

JOAN SADY, CLERK OF THE BOARD

KEVIN GERAGHTY, BUDGET OFFICER

REPRESENTING WASHINGTON COUNTY:

KEVIN HAYES, ADMINISTRATOR

DEBRA PREHODA, CLERK OF THE BOARD

MEMBERS OF THE BOARD OF SUPERVISORS

JOANNE COLLINS, LEGISLATIVE OFFICE SPECIALIST

The joint meeting of Warren and Washington Counties Community College Committees was called to order at 1:35 p.m. in the Bishop Community Conference Center (BCCC).

Agendas were distributed to all Committee members, a copy of which is on file with the minutes.

Commencing the Agenda review, Dr. Ronald Heacock, Adirondack Community College (ACC) President presented the Proposed Revised 2010-2011 Operating Budget and informed that the State Budget had passed and the total budget reduction for ACC was 15% on recommendation by Governor Paterson. The original proposed budget, he said, was based on an estimated 5% reduction which necessitated revisions. Dr. Heacock stated that increased enrollment had been the positive; however, he noted, next year's reduction would likely be 15% as well. He apprised that the State University of New York (SUNY) had been the recipient of a substantial sum of Federal Stimulus funds and he had not anticipated the same funding for next year. Additionally, he said, they did not anticipate the same enrollment increase for next year.

Pertaining to early retirement programs as set forth by the Governor, Dr. Heacock stated that he had not anticipated high levels of interest in the program given ACC's more lucrative retirement programs offered in the past. He stated that ACC would present the early retirement program to the ACC Board of Trustees.

Commencing review of the Revised Operating Budget, Dr. Heacock apprised that a reduction of \$200,000 had been applied which resulted in a total budget increase for this year of 6.37% and a 1.76% increase over the Estimated Actual. It was necessary, he stated, to make reductions to the academic services areas, technology and administrative services.

Mr. Conover entered meeting at 1:44 p.m.

Reviewing significant changes for 2010-2011, Dr. Heacock stated that the largest portion of increased costs, or 79% of the total increase, was attributed to Personnel and Health and Dental Insurance.

Pertaining to Full Time Enrollment's (FTE), Dr. Heacock reported the increased enrollment projection of 15.3%. Mr. Champagne asked the current enrollment status and Dr. Paul Mazur, ACC Vice-President, stated that it had been approximately 5% year to year and noted that student schedule changes with the Registrar were still underway which could cause a decrease. Dr. Heacock apprised that it was necessary for the enrollment figure to be increased slightly and that the lower summer session enrollment could be attributed to the limitation of part-time enrollment which eliminated the possibility for financial aid assistance; thereby making summer enrollment cost prohibitive for many. If enrollment projections were not reached for the year, he said, it would be necessary to reduce the adjunct faculty workforce.

The tuition rate, Dr. Heacock explained, was initially up 2% (unrevised budget) and following careful analysis and debate, an increase of 4%, or \$130 per year, was established.

Dr. Heacock noted that the Sponsors' Contributions had been adjusted due to varying distributions between the Counties and he reported the figures of \$1,825,330 (\$42,658 increase) and \$1,234,930 (\$46,482 increase) for Warren and Washington Counties respectively, with an Applied Fund Balance of \$163,567.

Pertaining to the Non-Sponsors' Contribution or the Chargeback Rate, Dr. Heacock stated that Chargebacks, which primarily impacted Saratoga County in a positive manner, would drop due to the College's significant increase in enrollment thereby reducing the sponsors' percentages.

Continuing with the Operating Budget review, Dr. Heacock reviewed the Personnel changes as outlined in the report, as well as Benefits, Equipment and Software, and Other.

Proceeding to the Budget Expenditures, Expenditures By Object and Functional Area, and Unreserved Fund Balance reports, Dr. Heacock reported that funds were primarily expended for the students, a very good outcome for the functional area. He noted that if the Fund Balance were applied as projected, it would result in an Unreserved Fund Balance of \$1,579,871, or 6.54% of the Budget.

Dr. Heacock cautioned that the State could implement additional budget reductions for ACC prior to the close of 2010. He asserted that the College was vigilant in terms of enrollments; actions relative to Union Contracts; discretionary funds; travel; training; and software contracts. Some effective changes had been made on the campus, he said, which included a new classroom, the transition of the Reading and Writing Center to the Library and improvements to the Scoville Art Gallery to the credit of ACC's hardworking maintenance team who embodied a broad set of essential building and maintenance skills. The maintenance staff, he said, was very busy over the summer making campus improvements which were paid for from remaining surplus funds.

With regard to the SUNY Empowerment Act, Dr. Heacock articulated that the legislation had not passed, thereby preventing ACC from borrowing money from the Dormitory Authority as four-year colleges did. Mr. Champagne asked the rationale for SUNY's decision and Dr. Heacock replied that the State deemed ACC a member of both the State Legislature, as well as the County; and therefore would not empower the College in this manner. The State Legislature, he noted, preferred to maintain control over tuition rates.

Mr. Geraghty asked if ACC had considered the elimination of grant funded positions and Dr. Heacock cautioned that the Federal Government could recoup all monies for the grant period, should any reductions in grant program expenditures be requested. He noted that the minimal number of grant funded positions on the campus were historically ongoing. Mr. Geraghty inquired about cost saving measures regarding health insurance and William Long, Vice-President of Administrative Services, stated that the rate review process had recently been completed with the next review to take place in January. Mr. Long reported an increase of 21% for the College as a result of several experience related issues. Dr. Heacock noted that the higher deductible option was selected which was the best option overall. He informed that a committee was formed to review provider options with the faculty unit. An area of concern, Dr. Heacock stated, was the fact that support staff could not afford the cost of insurance; therefore it was essential to take action. Mr. Long noted that the current plan was less costly than the former Matrix option and Dr. Heacock noted that other options were continually being reviewed.

Dr. Heacock pointed out one caveat pertaining to the early retirement program whereby ACC could not fill any vacancies resulting from early retirement in excess of 50% of the vacated positions' salary. He noted that positions would be held open or filled with adjunct (part-time) faculty. The majority of the faculty who were at the top of the pay scale, he noted, were not eligible for retirement.

A discussion ensued.

Mr. Hayes noted that a reduction in Chargebacks from Saratoga County resulted in a decrease in Chargebacks for Warren and Washington Counties, as well. Dr. Heacock concurred and noted the overall decrease in Chargebacks for this year was due to the increased enrollment. Mr. Hayes asserted that he had not recommended use of the fund balance as he anticipated further fiscal challenges ahead. Paul Dusek, County Attorney/Administrator, stated that under normal circumstances he would agree with Mr. Hayes; however, he expressed that the fiscal crises had begun to ease and projected that the County could earnestly consider the increase in Sponsors' Contribution next year as the economy began to rebound.

Dr. Heacock reminded the Committee that ACC had not received a Contribution increase in four years, which equalled a 3% total increase over a five year period placing the College in a serious fiscal position. He appealed to both Counties to consider the proposed 2010-2011 contribution.

Mr. Conover pointed out the 2009-2010 Estimated Actual Budget was \$23,736,852, as compared to the Estimate Actual Revenues for the same year at \$24,465,361. Dr. Heacock explained that what appeared to be a surplus was used to pay debt for the BANNER system. He further stated that all stimulus funds had to be expended and reported and could not be applied to the fund balance. A portion of the debt was paid, he said, and the fund balance was not used as anticipated.

Mr. Stec stated that with the significant increase in retirement and healthcare costs he felt that Warren County could not agree to a contributory increase; however, he said, he remained optimistic for next year. He pointed out that the additional \$89,140 required from the Counties was a small portion of the \$24 million budget and he asked if the College could make alternative reductions to offset same. Mr. Dusek added that Warren County would only receive a portion of the Federal Medical Assistance Percentage (FMAP) under the American Recovery and Reinvestment Act (ARRA).

Mrs. Hall announced that Washington County's monthly Finance Committee meeting was changed from Friday, August 13th to Thursday, August 19, 2010 at 1:30 p.m. Mr. Stec stated that the Warren County Finance Committee would meet on Wednesday, August 11, 2010 at 10:00 a.m.

Mr. Conover acknowledged ACC's financial dilemma and proceeded with a detailed review of the budget. He cautioned that a \$1.8 million fund balance could be depleted quickly making the amount required for increase virtually unreachable. Mr. Long stated that ACC remained optimistic with regard to enrollment which could make the College whole and alternatively, a significant decline for the Spring 2010-2011 semester would be catastrophic for the fund balance.

Mrs. Hall suggested that the Counties share half of the total increase and Mr. Hayes noted that such a plan would minimize any impact to Washington County's budget.

Mr. Conover noted that the fund balance was not used in 2009-2010 with \$1.9 million and \$2.1 million beginning and year ending balances respectively. Dr. Heacock informed that part of the surplus fund had been placed in the fund balance thereby increasing same. For 2008-2009, Mr. Conover noted the beginning and ending balances of \$2.9 million and \$2 million. Mr. Stec asked if the College's expenses could be reduced by \$90,000 for a zero budget increase and cited Other expenses at \$3.9 million (2009-2010) as a possible area which could be reduced. He noted that Travel and Professional Development had increased and asked why it could not be reduced. On behalf of the College's efforts, Mr. Champagne recounted that enrollment could not be forecast and expressed his support for the College's mission. He stated that the County share was a safety net to protect against a possible loss of enrollment whereby College Operations could be threatened. Mr. Dusek stated that although \$43,000 was not exorbitant, it would necessitate reductions for the County on many levels. Mr. Stec acknowledged Dr. Heacock's request and his position on behalf of ACC. Dr. Heacock asked the Committee to consider that ACC had not received an increase for many years and he urged the Counties to invest in education for their communities. Furthermore, he said, without assistance from the Counties, the costs would become the responsibility of the students. He added that with the exception of Massachusetts, New York State had the highest Community College tuition rates in the Country. Concluding the Budget discussions, Dr. Heacock asked the Committee to consider the total Warren County Budget over the last ten years against the total amount appropriated for ACC.

Mr. Hayes inquired about the Uncollected line item and Dr. Heacock stated that it reflected unpaid tuition for students who dropped out of classes without paying, were dismissed for unsatisfactory grades, unpaid parking tickets, and unpaid residency non-compliance balances. He noted that many cases were turned over to a collection agency.

Mr. Champagne asked about possible changes in the State physical education requirement and Dr. Heacock informed that it was the decision of each Community College and was no longer required at many colleges. He apprised that the SUNY Chancellor had sought a uniform policy among Community Colleges in this regard and Dr. Heacock upheld the argument that the requirement remained pertinent with today's student population as it addressed overall health and nutrition.

Mr. Conover noted that as student tuition rose, the fund balance also increased and Mr. Long pointed out that the student portion of tuition increased from 43% to 50%. Mr. Conover cautioned that the numbers were based on the assumption that enrollment would continue at the historic numbers. Dr. Heacock reiterated that enrollment could not be projected and was expected to decrease due to a decline in the population. He noted that ACC had changed from a State supported institution to a State assisted institution and opined that the economy would not improve in a palpable way for three to four years.

Dr. Heacock expressed particular concern for recent high school graduates and single parents for whom part-time enrollment was the only option. Part-time students, he said, had limited financial options making enrollment cost prohibitive. Full time enrollment, he added, was still reasonable for

students with parental support, and Federal job training initiatives gave financial assistance to qualifying laid-off workers for educational purposes.

Motion was made by Mr. Stec, seconded by Mr. Taylor and carried unanimously to recommend approval of the 2010-2011 Proposed Operating Budget with the same sponsor contribution as last year, and to refer same to the Finance Committee.

As there was no further business to come before the Community College Committee, on motion by Mr. Taylor and seconded by Mr. Stec, Mr. Champagne adjourned the meeting at 2:57 p.m.

Respectfully submitted,

Joanne Collins, Legislative Office Specialist